

109TH CONGRESS  
1ST SESSION

# S. 926

To amend the Internal Revenue Code of 1986 to provide that the credit for producing fuel from a nonconventional source shall apply to gas produced onshore from a formation more than 15,000 feet deep.

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## IN THE SENATE OF THE UNITED STATES

APRIL 27, 2005

Mr. INHOFE (for himself, Mr. VITTER, and Mr. ENZI) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide that the credit for producing fuel from a nonconventional source shall apply to gas produced onshore from a formation more than 15,000 feet deep.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Natural Gas Produc-  
5 tion Act of 2005”.

1 **SEC. 2. CREDIT FOR PRODUCING FUEL FROM NONCONVEN-**  
 2 **TIONAL SOURCE TO APPLY TO GAS PRO-**  
 3 **DUCED ONSHORE FROM FORMATIONS MORE**  
 4 **THAN 15,000 FEET DEEP.**

5 (a) IN GENERAL.—Subparagraph (B) of section  
 6 29(c)(1) of the Internal Revenue Code of 1986 (defining  
 7 qualified fuels) is amended by striking “or” at the end  
 8 of clause (i), by striking “and” at the end of clause (ii)  
 9 and inserting “or”, and by inserting after clause (ii) the  
 10 following new clause:

11 “(iii) an onshore well from a forma-  
 12 tion more than 15,000 feet deep, and”.

13 (b) ELIGIBLE WELLS.—Section 29 of such Code is  
 14 amended by adding at the end the following new sub-  
 15 section:

16 “(h) ELIGIBLE DEEP GAS WELLS.—In the case of  
 17 a well producing qualified fuel described in subsection  
 18 (B)(iii)—

19 “(1) for purposes of subsection (f)(1)(A), such  
 20 well shall be treated as drilled before January 1,  
 21 1993, if such well is drilled after the date of the en-  
 22 actment of this subsection, and

23 “(2) subsection (f)(2) shall not apply.”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years ending after the  
3 date of the enactment of this Act.

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